

Message Text

UNCLASSIFIED

PAGE 01 MANILA 04638 241153 Z

46

ACTION AGR-20

INFO OCT-01 EA-11 ADP-00 EB-11 AID-20 COME-00 TRSE-00

CIAE-00 INR-10 NSAE-00 RSC-01 RSR-01 /075 W

----- 017387

R 240810 Z APR 73

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 4667

UNCLAS MANILA 4638

FOR AGRICULTURE FROM AGATTACHE

E. O. 11652: N/ A

TAGS: EAGR

SUBJ: RAW COTTON IMPORT DUTY

REF: A. STATE 067872 B. PH 3005

1. CURRENT CALCULATION IS THAT 165,000 BALES OF COTTON WILL BE IMPORTED INTO PHILIPPINES IN FY 1973 INCLUDING 90,000 COMMERCIAL AND 75,000 TITLE I. FY 1972 TOTAL WAS 149,224. PROSPECTS ARE FOR STILL HIGHER IMPORT IN FY 1974, SAY 185,000 INCLUDING 85,000 TITLE I AND REMAINDER COMMERCIAL.
2. ON CALENDAR YEAR BASIS, COTTON IMPORTS DECLINED FROM 150,262 IN 1971 TO 123,505 IN 1972. TRADE EXPECTATION IS 175,000 TO 200,000 IN 1973.
3. DECLINE IN COTTON IMPORTS IN 1972 WAS PARTLY OWING TO LOW PRICES FOR POLYESTER AND RAYON STAPLE WHICH LED TO WIDESPREAD SUBSTITUTION. FOR A TIME POLYESTER WAS PRICED LOWER COTTON. UNDER THESE CIRCUMSTANCES, IMPOSITION OF 10 PERCENT DUTY ON COTTON WOULD HAVE STIMULATED STILL MORE RAPID LOSS OF COTTON MARKETS.
4. SINCE NOVEMBER, PRICES OF POLYESTER AND RAYON STAPLE HAVE RISEN TO HIGH LEVELS UNDER PRESSURE OF REVALUATION OF YEN AND REPORTED LARGE JAPANESE SALES TO CHINA. CURRENTLY, POLYESTER

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MANILA 04638 241153 Z

STAPLE IF AVAILABLE COSTS 55 TO 65 CENTS A POUND C & F. UNDER THESE CIRCUMSTANCES MILLS ARE ANXIOUS TO GET COTTON EVEN WITH 10 PERCENT DUTY ADDED SINCE JANUARY 1 ST. MILLS, OF COURSE, OBTAIN REBATE IF COTTON GOODS ARE EXPORTED.

5. IMPROVED BUSINESS CONDITIONS SINCE FIRST OF YEAR, REVIVING AFTER LAST SUMMER'S FLOODS AND IMMEDIATE EFFECTS OF IMPOSITION OF MARTIAL LAW IN FALL, ARE ALSO CURRENTLY RESULTING IN INCREASED DEMAND FOR COTTON GOODS. EXPORT SECTOR IS SAID TO BE DOING BETTER THAN DOMESTIC.

6. WHILE MARKET FOR COTTON CURRENTLY ISN'T AFFECTED BY NEW DUTY, IT IS BOUND TO BE AFFECTED WHEN PRICES OF MAN-MADE FIBERS RETURN TO NORMAL COMPETITIVE SITUATION. PHILIPPINES HAVE NO FIBER LABELING REQUIREMENT AND QUALITY STANDARDS CAN BE ELASTIC. MILLS WILL SUBSTITUTE QUITE FREELY IF THE PRICE OF COTTON BECOMES ONLY SLIGHTLY HIGHER THAN COMPETITION.

7. AS NOTED IN REF. B, 10 PERCENT DUTY IMPOSED ON COTTON WAS MINIMUM UNDER NEW TARIFF. AGATTACHE HAS NOTED TO GOP OFFICIALS THAT RAW COTTON USUALLY ISN'T TAXED IN OTHER COUNTRIES BECAUSE IT IS A RAW MATERIAL FOR INDUSTRY. ALSO THAT THERE HAS BEEN NO CHANGE IN U. S. DUTIES IMPOSED ON IMPORTS OF AGRICULTURAL COMMODITIES FROM PHILIPPINES WHICH TOTALED \$332 MILLION IN 1972 VERSUS \$100 MILLION U. S. AGRICULTURAL EXPORTS TO PHILIPPINES.
BYROADE

UNCLASSIFIED
NMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 24 APR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973MANILA04638
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730452/aaaaixhb.tel
Line Count: 90
Locator: TEXT ON-LINE
Office: ACTION AGR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: A.STATE 067872 B. PH 3005
Review Action: RELEASED, APPROVED
Review Authority: thigpegh
Review Comment: n/a
Review Content Flags:
Review Date: 29 OCT 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29-Oct-2001 by averetam>; APPROVED <07 FEB 2002 by thigpegh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> srp 980202
Subject: RAW COTTON IMPORT DUTY
TAGS: EAGR
To: AGR
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005